

2011 Property Tax Report

Scott County

with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Scott County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

Comparable Homestead Property Tax Changes in Scott County

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	3,318	58.0%	588	10.3%
No Change	245	4.3%	74	1.3%
Lower Tax Bill	2,159	37.7%	5,060	88.4%
Average Change in Tax Bill	2.0%		-26.0%	
Detailed Change in Tax Bill				
20% or More	541	9.5%	223	3.9%
10% to 19%	517	9.0%	125	2.2%
1% to 9%	2,260	39.5%	240	4.2%
0%	245	4.3%	74	1.3%
-1% to -9%	1,423	24.9%	355	6.2%
-10% to -19%	395	6.9%	637	11.1%
-20% to -29%	93	1.6%	1,155	20.2%
-30% to -39%	73	1.3%	1,133	19.8%
-40% to -49%	28	0.5%	761	13.3%
-50% to -59%	35	0.6%	303	5.3%
-60% to -69%	16	0.3%	179	3.1%
-70% to -79%	17	0.3%	134	2.3%
-80% to -89%	7	0.1%	97	1.7%
-90% to -99%	7	0.1%	82	1.4%
-100%	65	1.1%	224	3.9%
Total	5,722	100.0%	5,722	100.0%

Note: Percentages may not total due to rounding.

★★★★★★
 LOSS OF STATE HOMESTEAD
 CREDIT AND LOWER LOCAL
 HOMESTEAD CREDITS RAISED
 HOMEOWNER TAX BILLS
 ★★★★★★

Homestead Property Taxes

Homestead property taxes increased 2.0% on average in Scott County in 2011. This was less than the state average of 4.4%. Scott County homestead taxes were still 26.0% lower in 2011 than they were in 2007, before the big tax reform. The homestead tax increase in 2011 was partly due to the phaseout of the state homestead credit in 2011. The state homestead credit was 3.4% in Scott County in 2010. In addition, Scott County's local homestead credit declined in 2011, due to a drop in the local income tax revenues that fund it. The reduction in homestead assessed value and additional circuit breaker credits kept tax increases low. Tax rates were relatively low in Scott County, so only 4.3% of homeowners received circuit breaker credits. This was an increase from 1.5% in 2010.

Tax Rates

Property tax rates increased in about half of Scott County tax districts. The average tax rate increased by 4.5% because of an increase in the levy coupled with a decline in net assessed value. Levies in Scott County increased by 1.7%. The biggest levy increases were in the Scott County District No. 1 Schools debt service and bus replacement funds and the county bond, court house lease rental, health, and general funds. The biggest levy reductions were in the Scott County District No. 2 Schools debt service and bus replacement funds. Scott County's total net assessed value decreased 1.4% in 2011. (The certified net AV used to compute tax rates declined by 2.7%.) Homestead assessments decreased by 4.4%, and agricultural net assessments increased by 0.6%. Other residential assessments showed a decrease of 3.5%, while business net assessments increased by 1.6%.

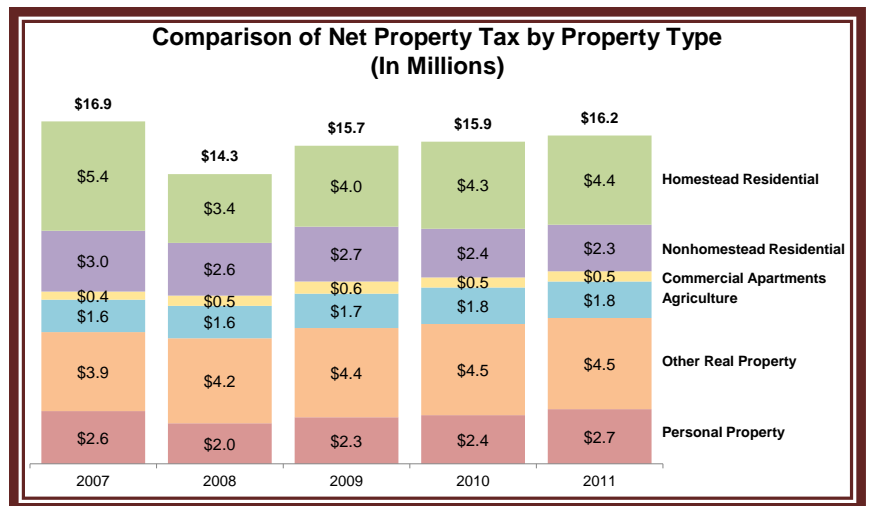
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**TAX INCREASES FOR AGRICULTURE AND
BUSINESS; DECREASES FOR OTHER
RESIDENTIAL AND APARTMENTS**

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Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 2.2% in Scott County in 2011, similar to the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills decrease by 4.3%. Tax bills for commercial apartments fell 3.9%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - increased by 5.0%. Agricultural tax bills rose 0.6%. This was partly due to the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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**TAX CAP CREDITS INCREASED
SLIGHTLY IN 2011**

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Total tax cap credit losses in Scott County were \$1.1 million, or 6.2% of the levy. This was less than the state average loss rate of 9.2%, but more than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Scott County's tax rates were near the state median. However, Scott had one tax district with a tax rate well above \$3 per \$100 assessed value, which explains its relatively high level of tax cap credits compared to the state median.

More than three-quarters of the total tax cap credits were in the 2% nonhomestead/farmland category. The largest percentage losses were in the town of Austin, Scott County School District No. 1, and Jennings Township. The largest dollar losses were in the Scott County School Districts Nos. 1 and 2, the town of Austin, and the county unit.

Scott County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$22,138	\$645,051	\$0	\$10,892	\$678,081	4.0%
2011 Tax Cap Credits	71,919	900,014	99,417	12,717	1,084,067	6.2%
Change	\$49,781	\$254,963	\$99,417	\$1,825	\$405,986	2.2%

Tax cap credits increased in Scott County in 2011 by \$405,986, or 60%. The additional credits

represent an added 2.2% loss in the total tax levy. Most of the increase in tax cap credits was in the 2% tax cap category, the result of tax rate increases. The tax rate in the Austin district rose above \$3, which made some property in the 3% category eligible for tax cap credits. The elimination of the state homestead credit and the drop in local income tax revenue that funds local homestead credits added to the 1% tax cap credit increase.

The Effect of Recession

The 2009 recession had an effect on Scott County assessments for pay-2011. Homestead and other residential property values and construction activity appear to have fallen in Scott County in 2009, and business values nearly stagnated. The decline in assessed value added to tax rate increases, which increased tax cap credit revenue losses. The added losses exceeded the increase in the tax levy, so Scott County local governments had less after-credit property tax revenue in 2011 than in 2010.

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**2009 RECESSION REDUCED AFTER-
CREDIT PROPERTY TAX REVENUE IN
2011**

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$681,385,300	\$663,752,660	-2.6%	\$264,787,713	\$253,146,525	-4.4%
Other Residential	119,040,000	114,993,800	-3.4%	117,311,593	113,163,432	-3.5%
Ag Business/Land	94,530,000	95,132,000	0.6%	94,260,445	94,845,975	0.6%
Business Real/Personal	348,476,754	349,267,840	0.2%	283,583,704	288,238,621	1.6%
Total	\$1,243,432,054	\$1,223,146,300	-1.6%	\$759,943,455	\$749,394,553	-1.4%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Scott County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	%Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	20,751,854	19,566,180	14,916,528	15,070,313	15,326,010	-5.7%	-23.8%	1.0%	1.7%
State Unit	16,641	19,389	0	0	0	16.5%	-100.0%		
Scott County	5,025,630	4,516,157	3,978,914	3,799,374	4,162,214	-10.1%	-11.9%	-4.5%	9.5%
Finley Township	20,600	21,373	22,227	23,017	23,631	3.8%	4.0%	3.6%	2.7%
Jennings Township	126,902	133,069	136,523	140,793	130,444	4.9%	2.6%	3.1%	-7.4%
Johnson Township	41,014	42,457	44,174	45,791	46,959	3.5%	4.0%	3.7%	2.6%
Lexington Township	35,480	36,767	38,175	39,631	40,582	3.6%	3.8%	3.8%	2.4%
Vienna Township	87,604	91,074	94,557	97,983	100,612	4.0%	3.8%	3.6%	2.7%
Scottsburg Civil City	1,539,824	1,619,723	1,665,743	1,721,667	1,764,035	5.2%	2.8%	3.4%	2.5%
Austin Civil Town	447,843	463,584	477,991	494,499	502,382	3.5%	3.1%	3.5%	1.6%
Scott County Dist No. 1 School Corp	3,430,504	2,573,150	2,425,258	2,298,084	2,719,516	-25.0%	-5.7%	-5.2%	18.3%
Scott County Dist No. 2 School Corp	9,374,912	9,531,561	5,517,981	5,876,002	5,303,811	1.7%	-42.1%	6.5%	-9.7%
Scott County Public Library	393,147	407,181	423,605	439,250	450,665	3.6%	4.0%	3.7%	2.6%
Southeastern Indiana Solid Waste Mgt Dist	85,286	88,061	91,380	94,222	81,159	3.3%	3.8%	3.1%	-13.9%
Scottsburg Redevelopment Comm	102,825	0	0	0	0	-100.0%			
Scott County Redevelopment Comm	16,047	12,766	0	0	0	-20.4%	-100.0%		
Austin Redevelopment Comm	7,595	9,868	0	0	0	29.9%	-100.0%		

Scott County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
72001	Finley Township	1.7848	--	--	12.2494%	--	--	--	1.5662
72002	Jennings Township	2.7217	--	--	12.2494%	--	--	--	2.3883
72003	Austin Town	3.4825	--	--	12.2494%	--	--	--	3.0559
72004	Johnson Township	1.8208	--	--	12.2494%	--	--	--	1.5978
72005	Lexington Township	1.7843	--	--	12.2494%	--	--	--	1.5657
72007	Vienna Township	1.7929	--	--	12.2494%	--	--	--	1.5733
72008	Scottsburg City	2.5676	--	--	12.2494%	--	--	--	2.2531

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Scott County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	71,919	848,068	84,842	12,717	1,017,546	15,326,010	6.6%
<i>TIF Total</i>	0	51,946	14,575	0	66,521	2,025,390	3.3%
<i>County Total</i>	71,919	900,014	99,417	12,717	1,084,067	17,351,400	6.2%
Scott County	16,502	180,044	15,368	3,212	215,126	4,162,214	5.2%
Finley Township	25	0	0	10	36	23,631	0.2%
Jennings Township	1,427	13,813	1,586	201	17,027	130,444	13.1%
Johnson Township	24	0	0	26	49	46,959	0.1%
Lexington Township	14	0	0	9	23	40,582	0.1%
Vienna Township	255	2,257	0	74	2,586	100,612	2.6%
Scottsburg Civil City	6,397	91,372	0	1,191	98,959	1,764,035	5.6%
Austin Civil Town	4,904	93,986	19,656	538	119,084	502,382	23.7%
Scott County Dist No. 1 School Corp	29,180	327,729	46,269	3,955	407,133	2,719,516	15.0%
Scott County Dist No. 2 School Corp	11,083	115,862	0	3,090	130,035	5,303,811	2.5%
Scott County Public Library	1,787	19,494	1,664	348	23,293	450,665	5.2%
Scottsburg City Redevelopment Comm	0	0	0	0	0	0	
Southeastern Indiana Solid Waste Mgt Dist	322	3,511	300	63	4,195	81,159	5.2%
Scottsburg Redevelopment Comm	0	0	0	0	0	0	
Scott County Redevelopment Comm	0	0	0	0	0	0	
Austin Redevelopment Comm	0	0	0	0	0	0	
TIF - Jennings	0	0	0	0	0	350,633	0.0%
TIF - Austin	0	1,554	14,575	0	16,129	405,981	4.0%
TIF - Scottsburg	0	50,392	0	0	50,392	1,268,776	4.0%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.